

standards in the digital medium, in particular for software and computers. The technology changes far too fast, much more rapidly than regulatory standards. Therefore, regulation in this area is likely to impede, or in some cases even discourage, the development of new technologies.

This bill is critical not only because it will allow the Internet to flourish, but also because it ensures that America will remain the world leader in the development of intellectual property. I urge each of my colleagues to support the conference report to H.R. 2281.

Mr. KLUG. Madam Speaker, I rise today in strong support of the conference report on H.R. 2281, and to acknowledge my appreciation of the efforts expended to create a rational, balanced bill for the 21st Century.

About two months ago, I stood on this floor and recognized that this Congress faced a difficult balancing act. On the one hand, there is concern for protecting the American creative community—those who make movies and television shows and software and books. On the other hand, in an era of exploding information, and where increasingly having information is having power, we have a heightened obligation to ensure access to that information. We should not be changing the rules of the road in the middle of the game, creating a pay per view environment in which the use of a library card always carries a fee and where the flow of information comes with a meter that rings up a charge every time the Internet is accessed.

With the support of the House Commerce Committee, under the leadership of Chairman BLILEY, Representative DINGELL, Representative TAUZIN, Representative MARKEY, and, most significantly, Representative BOUCHER, we were able to implement two changes to the bill to instill the balance envisioned by our constitutional architects and in the long tradition of the Commerce Committee. The first change ensured that information users will continue to utilize information on a "fair use" basis, notwithstanding the prohibition on circumvention. The second change allowed manufacturers of a wide array of consumer products the certainty that design decisions could be made solely on the basis of technological innovation and consumer demand, not the dictates of the legal system.

These critical provisions were regrettably not part of the Senate-passed version of the legislation and, consequently, required negotiation in conference. Although I was not a formal part of the House-Senate conference, I am pleased to support the outcome of those discussions, and to single out the dedicated efforts of Chairman BLILEY, Representative TAUZIN, Representative DINGELL, Justin Lilley, Andy Levin, and Whitney Fox to preserve the important improvements wrought by the House Commerce Committee.

The conference report reflects a number of hard compromises, three of which I would like to discuss. First, the conferees maintain the strong fair use provision the Commerce Committee crafted, for the benefit of libraries, universities, and consumers generally. Section 1201(c)(3) explicitly provides a meaningful role, in determining whether fair use rights are or are likely to be adversely affected, for the Assistant Secretary of Commerce for Communications and Information in the mandated rulemaking. I trust that the recommendations made by the Assistant Secretary, given the in-

creasing importance that new communications devices have in information delivery, will be accorded a central, deferential role in the formal rulemaking process.

The second change the conferees insisted upon was a "no mandate" provision. This language ensures that manufacturers of future digital telecommunications, computer, and consumer electronics products will have the freedom to choose parts and components in designing new equipment. Specifically, Section 1201(c)(3) provides that nothing in the subsection requires that the design of, or design and selection of parts and components for, a consumer electronics, telecommunications, or computer product provide for a response to any particular technological measure, so long as the device does not otherwise violate the section. With my colleague from Virginia, Representative BOUCHER, I originally persuaded the members of the Commerce Committee to delete the "so long as" phrase of the original Senate version. Our thinking, confirmed by committee counsel, was that this language was not just circular, but created serious ambiguity and uncertainty for product manufacturers because it was not clear whether a court, judging the circumstances after the fact, would find that specific products fell within the scope of this provision and thus had to be designed to respond to protection measures. And, it is entirely possible that these protective measures may require conflicting responses by the products.

The conferees added back the language we struck, but in a context in which the "so long as" clause had some clear, understandable meaning. The language agreed to by the conferees mandates a response by specified analog devices to two known analog protection measures, thereby limiting the applicability of the "so long as" clause. In my opinion, spelling out this single, specific limitation will provide manufacturers, particularly those working on innovative digital products, the certainty they need to design their products to respond to market conditions, not the threat of lawsuits.

Both of these changes share one other important characteristic. Given the language contained in the Judiciary Committee's original bill, specifically sections 1201(a)(1), (a)(2), and (b)(1), there was great reason to believe that one of the fundamental laws of copyright was about to be overruled. That law, known as *Sony Corporation of America v. Universal Studios*, 464 U.S. 417 (198), reinforced the centuries-old concept of fair use. It also validated the legitimacy of products if capable of substantial non-infringing uses. The original version of the legislation threatened this standard, imposing liability on device manufacturers if the product is of limited commercial value.

Now, I'm not a lawyer, but it seems irrational to me to change the standard without at least some modest showing that such a change is necessary. And, changing the standard, in a very real sense, threatens the very innovation and ingenuity that have been the hallmark of American products, both hardware and content-related. I'm very pleased that the conferees have meaningfully clarified that the *Sony* decision remains valid law. They have also successfully limited the interpretation of Sections 1201(a)(2) and (b)(1), the "device" provisions, to outlaw only those products having no legitimate purpose. As the conference report makes clear, these two sections now must be read to support, not stifle, staple

articles of commerce, such as consumer electronics, telecommunications, and computer products used by businesses and consumers everyday, for perfectly legitimate purposes.

Finally, the conferees included specific language allowing product manufacturers to adjust their products to accommodate adverse effects caused by technological protection measures and copyright management information systems. These measures could have the effect of materially degrading authorized performances or displays of works, or causing recurring appreciably adverse effects. But, there was real fear in the manufacturing and retail communities of liability for circumvention if they took steps to mitigate the problem. I also felt particularly strong that consumers have the right to expect that the products they purchase will live up to their expectations and the retailing hype. So, the Commerce Committee faced another balancing act—preserving the value of the creative community while also affording consumers some basic protections and guarantees.

We were only able to achieve directive report language on "playability" in the committee process. Using the base established by the Commerce Committee, the conferees were able to craft explicit language exempting makers and servicers of consumer electronics, telecommunications, or computing products from liability if acting solely to mitigate playability problems. With this absolute assurance of freedom from suit under such circumstances, manufacturers should feel free to make product adjustments, and retailers, and professional services should not be burdened with the threat of litigation in repairing products for their customers.

In short, the conference report achieves the goal of implementing the WIPO treaties. But we have done so in a thoughtful, balanced manner that promotes product development and information usage, indeed the very "progress of Science and the useful arts" set forth in the Constitution. I urge my colleagues to vote for this legislation and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and agree to the conference report on the bill, H.R. 2281.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 134. Joint Resolution making further continuing appropriations for the fiscal year 1999, and for other purposes.

#### ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. TRAFICANT. Madam Chairman, pursuant to clause 2(a)(I) of rule IX, I

hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

In accordance with House rule IX, clause 1, expressing the sense of the House that its integrity has been impugned because the anti-dumping provisions of the Trade and Tariff Act of 1930, Subtitle B of Title VII, have not been expeditiously enforced: Now, therefore, be it

*Resolved* by the House of Representatives that the House of Representatives calls upon the President to:

(1) Immediately review for a period of 10 days the entry into the customs territory of the United States of hot-rolled steel products or plate steel products that are the product or manufacture of Japan, Russia, or Brazil;

(2) If, after the above-reference review period, the President finds that the governments of Japan, Russia, or Brazil are not abiding by the spirit and letter of international trade agreements with respect to dumping, the President shall immediately impose a one-year ban on imports of hot-rolled steel products and plate steel products that are the product or manufacture of Japan, Russia or Brazil;

(3) Establish a task force within the Executive Branch to closely monitor U.S. imports of steel from other countries to determine whether or not international trade agreements are being violated with respect to dumping; and,

(4) Report to the Congress by no later than January 5, 1999, on any other actions the Executive Branch has taken or intends to take to ensure that all of the trading partners of the United States abide by the spirit and letter of international trade agreements with respect to the import into the United States of steel products.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Speaker in the legislative schedule within two legislative days of its being properly noticed. The Chair will announce the Chair's designation at a later time. The Chair's determination as to whether the resolution constitutes a question of privilege will be made at the time designated by the Chair for consideration of the resolution.

#### EXTENDING CERTAIN EXPIRING PROVISIONS OF THE INTERNAL REVENUE CODE

Mr. ARCHER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4738) to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, provide tax relief for farmers and small businesses, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4738

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in

this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

#### (b) TABLE OF CONTENTS.—

Sec. 1. Amendment of 1986 Code; table of contents.

#### TITLE I—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

##### Subtitle A—Tax Provisions

Sec. 101. Research credit.

Sec. 102. Work opportunity credit.

Sec. 103. Income averaging for farmers made permanent.

Sec. 104. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.

Sec. 105. Subpart F exemption for active financing income.

Sec. 106. Disclosure of return information on income contingent student loans.

##### Subtitle B—Generalized System of Preferences

Sec. 111. Extension of Generalized System of Preferences.

#### TITLE II—OTHER PROVISIONS

Sec. 201. Depreciation study.

Sec. 202. Production flexibility contract payments.

Sec. 203. 100 percent deduction for health insurance costs of self-employed individuals.

Sec. 204. Increase in volume cap on private activity bonds.

Sec. 205. Modification of estimated tax safe harbors.

Sec. 206. Exemption for students employed by State schools, colleges, or universities.

#### TITLE III—REVENUE OFFSETS

Sec. 301. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

Sec. 302. Inclusion of rotavirus gastroenteritis as a taxable vaccine.

Sec. 303. Clarification and expansion of mathematical error assessment procedures.

Sec. 304. Clarification of definition of specified liability loss.

#### TITLE IV—TECHNICAL CORRECTIONS

Sec. 401. Definitions; coordination with other titles.

Sec. 402. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.

Sec. 403. Amendments related to Taxpayer Relief Act of 1997.

Sec. 404. Amendments related to Tax Reform Act of 1984.

Sec. 405. Other amendments.

#### TITLE I—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

##### Subtitle A—Tax Provisions

#### SEC. 101. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(1) by striking "June 30, 1998" and inserting "December 31, 1999";

(2) by striking "24-month" and inserting "42-month"; and

(3) by striking "24 months" and inserting "42 months".

(b) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by strik-

ing "June 30, 1998" and inserting "December 31, 1999".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1998.

#### SEC. 102. WORK OPPORTUNITY CREDIT.

(a) TEMPORARY EXTENSION.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking "June 30, 1998" and inserting "December 31, 1999".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

#### SEC. 103. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking "and before January 1, 2001".

#### SEC. 104. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) SPECIAL RULE FOR CONTRIBUTIONS OF STOCK MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS, ETC.—

(1) IN GENERAL.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

"(d) PUBLIC INSPECTION OF CERTAIN ANNUAL RETURNS AND APPLICATIONS FOR EXEMPTION.—

"(1) IN GENERAL.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

"(A) a copy of—

"(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization; and

"(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office; and

"(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

"(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

"(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

"(A) NONDISCLOSURE OF CONTRIBUTORS, ETC.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d),